



DISABILITY SERVICES AGENCIES AUDIT OF SELECT CYCLES

FOR THE YEAR ENDED
JUNE 30, 2016

Auditor of Public Accounts
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AUDIT SUMMARY

We audited the **Disability Services Agencies'** purchasing card internal controls and charges and travel card internal controls and followed up on one prior information security finding. In addition, we audited **Wilson Workforce Rehabilitation Center's** information systems security for the fiscal year ended June 30, 2016. We found:

- matters involving internal control and its operation pertaining to information systems security and the administration of purchasing cards necessary to bring to management's attention;
- instances of noncompliance with applicable laws and regulations or other matters pertaining to purchasing cards and information systems security that are required to be reported; and
- significant progress on one of the audit findings issued in the prior report.

We did not follow up on all findings issued in the prior Disability Services Agencies audit report for the period July 1, 2011, through June 30, 2014. Due to the timing of the prior report, Disability Services Agencies have not implemented corrective action for all findings. We only followed up on the finding titled "Continue to Improve IT Governance." Aging and Rehabilitative Services has made significant progress on the finding, with the exception of the controls related to security awareness and training. Therefore, we included the finding titled "Improve Security Awareness Training Process" in the section entitled "Audit Findings and Recommendations." In future years, we will follow up on all other findings issued in prior audit report.

The Disability Services Agencies include the following:

- Department for Aging and Rehabilitative Services (including Wilson Workforce Rehabilitation Center)
- Department for the Blind and Vision Impaired (including Virginia Industries for the Blind and Virginia Rehabilitation Center for the Blind and Vision Impaired)
- Department for the Deaf and Hard-of-Hearing
- Virginia Board for People with Disabilities

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AUDIT FINDINGS AND RECOMMENDATIONS

Improve Firewall Management

Type: Internal Control and Compliance

Repeat: No

Wilson Workforce Rehabilitation Center (Wilson Workforce) does not properly secure its firewall in accordance with the Commonwealth's Information Security Standard, SEC 501 (Security Standard), and industry best practices.

We communicated essential control weaknesses to management in a separate document marked Freedom of Information Act Exempt (FOIAE) under Section 2.2-3705.2 of the Code of Virginia, due to it containing descriptions of security mechanisms. The Security Standard requires the documentation and implementation of certain controls that reduce unnecessary risk to the confidentiality, integrity, and availability of Wilson Workforce's information systems and data.

Wilson Workforce should implement the controls discussed in the communication marked FOIAE in accordance with the Security Standard in a timely manner to safeguard the Wilson Workforce's network and protect its systems and data from threats.

Improve Physical and Environmental Security

Type: Internal Control and Compliance

Repeat: No

Wilson Workforce does not have adequate physical and environmental security controls in place that meet the requirements in the Security Standard to protect technical assets that support daily business functions from physical and environmental risks.

The Security Standard requires Wilson Workforce to develop, document, and implement physical and environmental controls to protect information systems and data from human and environmental risks. We communicated four physical and environmental control weaknesses in detail to management in a separate document marked FOIAE under Section 2.2-3705.2 of the Code of Virginia, due to the sensitivity and description of security controls.

Wilson Workforce should remediate all of the physical and environmental control weaknesses and improve the existing physical and environmental security policy to meet the requirements in the Security Standard. Remediating the weaknesses will help to protect Wilson Workforce's sensitive systems against physical and environmental threats.

Improve IT Asset Management Process and Procedures

Type: Internal Control and Compliance

Repeat: No

Wilson Workforce does not use some required controls to protect information technology (IT) assets prior to transfer or removal from service. Also, Wilson Workforce does not have documented procedures to support the IT asset sanitization process that meet the minimum requirements in the Removal of Commonwealth Data from Electronic Media Standard, SEC 514-04 (Data Removal Standard).

The Data Removal Standard requires Wilson Workforce to have procedures that appropriately document the entire data removal process prior to the physical transfer or destruction of an IT asset. We identified and communicated the weak controls to management in a separate document marked FOIAE under Section 2.2-3705.2 of the Code of Virginia due to it containing specific descriptions of security mechanisms.

Wilson Workforce should dedicate the necessary resources to implement the controls discussed in the communication marked FOIAE to protect confidential and sensitive information.

Improve Security Awareness Training Process

Type: Internal Control and Compliance

Repeat: Partial, with limited progress in this area

Prior Title: Continue to Improve IT Governance

The Department for Aging and Rehabilitative Services (Aging and Rehabilitative Services) is not providing all of the information systems services required in a Memorandum of Understanding (MOU) to the following Disability Services Agencies:

- Department for the Blind and Vision Impaired
- Department for the Deaf and Hard-of-Hearing
- Virginia Board for People with Disabilities

In 2014, Aging and Rehabilitative Services and the Disability Services Agencies above developed the MOU that requires Aging and Rehabilitative Services to provide administrative and information systems support, including security awareness training (SAT). The MOU requires Aging and Rehabilitative Services to provide oversight, ensure compliance with Commonwealth Security Standards, and manage a security program that includes SAT.

Aging and Rehabilitative Services has a SAT policy that applies to all of the Disability Services Agencies, but the implementation of the policy is inconsistent. There are multiple program administrators that each follow different internal procedures.

The Security Standard, Section 2.5, requires the Information Security Officer (ISO) to develop and maintain an information security awareness and training program for agency staff, including contractors and IT service providers. The Security Standard requires that all IT system users complete the required IT security awareness and training activities prior to, or as soon as practicable after, receiving access to any system and no less than annually, thereafter. In addition, Aging and Rehabilitative Services Information Security Awareness Training Policy requires the Aging and Rehabilitative Services ISO to oversee the SAT program, including development, implementation, and testing. The SAT policy also requires the ISO to coordinate, monitor, and track SAT compliance and to revoke account rights until mandatory SAT is complete.

By having multiple administrators following different internal procedures at the Disability Services Agencies, it becomes difficult and time-consuming to identify individuals who are not completing training within 30 days of their hire date and annually, thereafter. This can allow individuals to have system access to sensitive and confidential information without fully understanding their obligations, duties, and risks as data custodians and users of Disability Services Agencies systems.

The current ISO at Aging and Rehabilitative Services has been in this role for less than one year and was unaware that the MOU existed, therefore Aging and Rehabilitative Services was not providing SAT in accordance with the MOU. This led to multiple administrators and different internal procedures at the Disability Services Agencies.

The Aging and Rehabilitative Services ISO should assume responsibility and take a more active oversight role to ensure the Disability Services Agencies employees take training within the required timeframes in the Security Standard. The ISO should also develop procedures for all Disability Services Agencies to use and ensure consistent SAT programs. This will help Aging and Rehabilitative Services and the Disability Services Agencies maintain SAT compliance and may reduce costs due to efficiencies that reduce staff time to monitor the SAT program. Doing this will help ensure Disability Services Agencies' employees understand their roles and responsibilities to protect sensitive and mission critical data.

Improve Procedures over the Purchasing Charge Card Program

Type: Internal Control and Compliance

Repeat: No

The purchasing charge card program administrators (program administrators) at Aging and Rehabilitative Services and the Virginia Board for People with Disabilities (the Board) have not adequately documented internal policies and procedures for the purchasing charge card program. Specifically, Aging and Rehabilitative Services does not have documented procedures for completing client purchasing card reconciliations or using purchasing cards for hotel and conference registrations. Additionally, agency policies do not explicitly identify cardholders who have the ability to book and pay for hotels and conference registrations. Nor do the policies define the cardholder's responsibilities for verifying approval, ensuring that costs comply with travel regulations, or retaining supporting documentation for the purchase. Furthermore, Aging and Rehabilitative Services does not have procedures for notifying the program administrator of employee terminations so that cards can be cancelled. Because the Board relies

on Aging and Rehabilitative Services' purchasing charge card policies and procedures, it lacks policies and procedures for notifying the program administrator of employee terminations as well.

While there are some internal procedures on Aging and Rehabilitative Services' intranet, those procedures do not address the items noted above. According to the Commonwealth Accounting Policies and Procedures (CAPP) Manual Topic 20355, agencies must develop and document internal control procedures to ensure compliance with the CAPP Manual and other regulations.

Without documented policies and procedures, client cardholders did not always reconcile timely the \$4.1 million of expenses charged to the agency's client purchasing cards in fiscal year 2016, and cardholders purchased and distributed items periodically over time, as discussed in the findings "Improve Procedures over Purchase Card Reconciliations" and "Improve Internal Controls over Client Gift Card Purchases." Not identifying cardholders and documenting policies and procedures for using the purchasing card for travel expenses leaves Aging and Rehabilitative Services susceptible to non-compliance with purchasing card and travel regulations. Without a formal procedure for notifying the program administrator of an employee's termination, Aging and Rehabilitative Services and the Board increase their risk of not cancelling cards for terminated employees, which could lead to unauthorized purchases.

Program administrators should develop and implement written policies and procedures over the purchasing charge card program. While procedures should include all requirements noted in the CAPP Manual, the program administrators should ensure that the procedures adequately address agency-specific items, such as completing client purchasing card reconciliations and using purchasing charge cards for travel expenses. Furthermore, the procedures should include a process for notifying the program administrator of employee terminations.

Develop and Implement Program Administrator Policies and Procedures for Purchasing Cards

Type: Internal Control and Compliance

Repeat: No

Program administrators at Aging and Rehabilitative Services and the Board have not documented policies and procedures for how they implement and execute program administrator responsibilities. The Board relies on Aging and Rehabilitative Services' purchasing charge card policies and procedures. Program administrators of both agencies have not documented agency specific policies and procedures because they refer to the CAPP Manual Topic 20355 for program administrator responsibilities, which include monitoring the transactional data to ensure compliance with policy monthly; performing an annual analysis of cardholder's card usage and card limits; monitoring and canceling inactive cards; and auditing merchant category codes monthly.

CAPP Manual Topic 20355 requires agencies to develop and document internal control procedures to ensure compliance with the CAPP Manual. Program administrators help ensure that agencies and cardholders comply with purchasing card requirements. Without internal policies and procedures for program administrator responsibilities, Aging and Rehabilitative Services and the Board's purchasing charge card programs are susceptible to fraud, abuse, and noncompliance. Furthermore,

without documented policies, new program administrators or back-up administrators may not know how to adequately monitor the agency's purchasing charge card programs.

Program administrators should develop and implement agency specific program administrator policies and procedures to ensure compliance with the CAPP Manual. Since Aging and Rehabilitative Services' Fiscal Department already serves as the Board's fiscal agent and it currently administers the purchasing charge card programs for three other Disability Services Agencies, the Board should evaluate the efficiency and risks of having Aging and Rehabilitative Services act as its program administrator.

Improve Internal Controls over Client Gift Card Purchases

Type: Internal Control and Compliance

Repeat: No

Aging and Rehabilitative Services does not have sufficient internal controls around purchasing and using gift and fuel cards for clients. Eight out of 19 reconciliations tested included the purchase of gift or fuel cards. Aging and Rehabilitative Service's counselors retained receipts for the original gift and fuel card purchases; however, they did not retain receipts from clients that demonstrate the card's usage for any of those gift and fuel card purchases tested. While Aging and Rehabilitative Services internal policy requires clients to provide purchase receipts that demonstrate card usage and further requires counselors to retain receipts in the client case record, counselors did not retain this documentation. Additionally, counselors purchased gift and fuel cards based on a predetermined and preapproved need; however, counselors may distribute those gift cards to clients periodically throughout the rehabilitation process, resulting in counselors having paid gift or fuel cards on hand.

CAPP Manual Topic 20355 requires cardholders to "retain all documentation pertaining to the purchase, including receipts or packing slips. These should be kept, in conjunction with the purchasing log, for reconciliation to the monthly statement." Aging and Rehabilitative Services policies and procedures do not address purchasing items and distributing them periodically over time; however, the policies do encourage counselors to purchase items as needed, not in advance.

Without supporting documentation, counselors cannot verify that clients use gift and fuel cards for the stated vocational rehabilitation purpose. In addition, purchasing gift and fuel cards in advance and distributing them to clients over time, increases the risk of theft and abuse.

All cardholders must adhere to the policy and retain documentation of client gift and fuel card usage. Supervisors should ensure that counselors retain all documentation, specifically client's receipts for gift and fuel cards. Supervisors should take appropriate corrective action against the cardholder, if the cardholder does not follow procedures. Aging and Rehabilitative Services should also ensure that internal policies and procedures address limiting purchasing and distributing gift and fuel cards to clients periodically throughout the rehabilitation process.

Improve Procedures over Purchase Card Reconciliations

Type: Internal Control and Compliance

Repeat: No

Purchasing card cardholders and their supervisors did not complete purchase card reconciliations timely. Eight of the 39 (21 percent) monthly reconciliations reviewed were between one and 22 days late. In at least two instances, reconciliations were late because of technical system issues. However, cardholders and supervisors provided no definitive explanation for why the remaining reconciliations were late. In addition, internal policy inappropriately allows cardholders, not their supervisors, to scan and email client card reconciliation documentation to the Accounts Payable Department after supervisor review. This process increases the risk that cardholders can manipulate the reconciliation after supervisor review, enabling fraud to occur.

The Fiscal Department has developed an internal policy for submitting reconciliations to the Accounts Payable Department; however, cardholders and their supervisors did not submit reconciliations by the established due dates. Untimely reconciliations limit the time that the Accounts Payable Department has to process, review, and release payment to Bank of America, which can lead to the Fiscal Department paying Bank of America late and incurring late fees.

Cardholders and their supervisors should complete reconciliation activities by the established due dates. Program administrators should revise internal policies to require that cardholder supervisors submit client card reconciliations to the Accounts Payable Department. Furthermore, program administrators should ensure that internal policies address any action that management will take against cardholders and supervisors who submit late reconciliations.

Improve Procedures for Merchant Category Code Reviews

Type: Internal Control and Compliance

Repeat: No

Aging and Rehabilitative Services' Program Administrator does not review temporary merchant category codes (MCC) in accordance with CAPP Manual Topic 20355 for purchase cards. Aging and Rehabilitative Services' Program Administrator reviews permanent restrictions annually when the annual certification process takes place, but does not perform a review of temporary MCC restrictions. The Aging and Rehabilitative Services' Program Administrator relies on an automated control in Bank of America Work's system that automatically places the MCC restriction on the card based on a date the Program Administrator enters into the system. The Program Administrator believes that the current process is appropriate for reviewing MCC code restrictions; as a result, the MCC review process is not designed to include a monthly review of restrictions as required by the CAPP Manual.

CAPP Manual Topic 20355, states that Program Administrators should ensure appropriate restrictions are placed on all cards by auditing the industry (MCC) restrictions placed on all cards at a minimum of monthly. It further states, "Program Administrators can run a report in the Works systems to view all card restrictions. The report should be run and reviewed by the Program Administrator monthly to ensure all cards have appropriate industry restrictions."

MCC restrictions are an additional control to help prevent and limit charges that cardholders can make. Not performing monthly reviews of MCC restrictions increases the risk of cardholders not having the appropriate restrictions on cards, which could lead to cardholders making unauthorized purchases. The Program Administrator should implement internal procedures to review MCC restrictions in accordance with CAPP Manual requirements.

AUDIT SCOPE OVERVIEW

The Disability Services Agencies provide a number of services to the Commonwealth's disabled and aging population. Aging and Rehabilitative Services provides administrative services in the areas of human resources, payroll, information technology, procurement, fleet, fiscal, and internal audit for the Disability Services Agencies through an MOU.

Purchasing Cards

Disability Services Agencies use purchasing cards to streamline procedures for procuring and paying for small dollar goods and services. Disability Services Agencies use administrative cards for travel expenses and items or services that the state agencies use. Disability Services Agencies use client cards to purchase goods and services for the agencies' clients.

Aging and Rehabilitative Services' fiscal department is responsible for the purchasing card program for all Disability Services Agencies, except for Wilson Workforce and the Board. Wilson Workforce and the Board both have program administrators that are responsible for the purchasing card programs at their respective agencies. Purchasing administrators are responsible for ensuring agency and cardholder compliance with the CAPP Manual.

According to Works, Bank of America's online program management system, there were over 320 purchasing cards active with expenses totaling over \$8 million for the period. Table 1 shows purchasing card activity for each of the Disability Services Agencies.

Purchasing Cards – Number and Related Expenses

For the Period June 16, 2015, through June 15, 2016

Table 1

Agency	Type of Card	Number of Cards	Expenses
Aging and Rehabilitative Services	Client	187	\$2,132,105
Aging and Rehabilitative Services	Administrative	110	1,075,150
Department for the Blind and Vision Impaired	Client	21	2,018,163
Department for the Blind and Vision Impaired	Administrative	38	1,609,787
Wilson Workforce Rehabilitation Center	Client	4	245
Wilson Workforce Rehabilitation Center	Administrative	68	912,991
Virginia Board for People with Disabilities	Administrative	6	143,551
Department for the Deaf and Hard-of-Hearing	Administrative	3	260,909
Total		437	\$8,152,901

The Disability Services Agencies have a large number of active cards with a significant amount of expenses flowing through those cards. In addition, credit cards are inherently risky, and the Disability Service Agencies have had issues with purchase cards in the past. As a result, we included purchasing cards as an objective of the audit.

Travel Cards

Employees use travel cards to pay for official Commonwealth business expenses, thereby reducing the need to issue cash travel advances to employees. Aging and Rehabilitative Services' fiscal department is responsible for the travel card program for all Disability Services Agencies, except for Wilson Workforce. Wilson Workforce has a travel card Program Administrator responsible for Wilson Workforce's travel card program. Travel card program administrators are responsible for ensuring agency and cardholder compliance with the CAPP Manual.

Disability Services Agencies use the CAPP Manual and internal policies and procedures for the agencies' travel guidelines. Aging and Rehabilitative Services documents procedures for all Disability Services Agencies, with the exception of Wilson Workforce, who documents its own procedures. Disability Services Agencies have a significant amount of travel and use a large number of travel cards. Given the inherent risk of credit cards in general and previous issues surrounding purchasing cards, we included a review of policies and procedures over travel cards in our objectives. We plan to audit Disability Services Agencies' compliance with travel policies and procedures during the fiscal year 2017 audit.

Information Technology

The majority of the Disability Services Agencies' IT assets are in-scope to the Virginia Information Technologies Agency and Northrop Grumman Partnership (Partnership). However, Wilson Workforce has IT assets that are in-scope to the Virginia Information Technologies Agency and Northrop Grumman Partnership, and IT assets that they manage and maintain outside the scope of the Partnership. In-scope and out-of-scope IT assets support the on-campus student IT environment. Wilson Workforce received a waiver from the Partnership to manage their student IT environment and is responsible for managing the entire lifecycle of the out-of-scope IT assets against the requirements in the Security Standard. We have not audited the out-of-scope IT assets recently; therefore, we included a review of them in our audit objectives.



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 29, 2017

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Robert D. Orrock, Sr.
Chairman, Joint Legislative Audit
and Review Commission

We have audited purchasing card internal controls and charges* and travel card internal controls at **Disability Service Agencies**. In addition, we audited information systems security at **Wilson Workforce Rehabilitation Center** for the year ended June 30, 2016. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objective with regard to purchasing card charges was to review and evaluate whether charges were reasonable and in compliance with applicable laws and regulations. Our audit's primary objective with regard to purchasing card internal controls and information systems security were to review and evaluate the adequacy of the Disability Service Agencies and Wilson Workforce's internal controls and to test compliance with the applicable laws. Our audit's primary objective with regard to travel card internal controls was to review the adequacy of the Disability Service Agencies' policies and procedures. We followed up on one prior finding related to information security.

Audit Scope and Methodology

The Disability Services Agencies management has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts, and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, as they relate to the audit objectives, sufficient to plan the audit. We considered significance and risk in determining the nature and extent of our audit procedures. We performed audit tests to determine whether the Disability Services Agencies controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws and regulations, as they pertain to our audit objectives.

Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and observation of the Disability Services Agencies operations. We performed analytical procedures. We also tested details of transactions to achieve our objectives.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Conclusions

We noted certain matters pertaining to purchasing cards and information systems security involving internal control and its operation and compliance with applicable laws and regulations that require management's attention and corrective action. These matters are described in the section entitled "Audit Findings and Recommendations."

We did not follow up on all findings issued in the prior Disability Services Agencies audit report for the period July 1, 2011, through June 30, 2014. Due to the timing of the prior report, Disability Services Agencies have not implemented corrective action for all findings. We only followed up on the finding titled "Continue to Improve IT Governance." Aging and Rehabilitative Services has made significant progress on the finding, with the exception of the controls related to security awareness and training. Therefore, we included the finding entitled "Improve Security Awareness Training Process" in the section entitled "Audit Findings and Recommendations." In future years, we will follow up on all other findings issued in the prior audit report.

Exit Conference and Report Distribution

We discussed this report with management on July 6, 2017. Management's response to the findings identified in our audit is included in the section titled "Agency Response." We did not audit management's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

DBC/alh

* Bank of America administers the Commonwealth's purchasing card program. We obtained information from Works, Bank of America's online program management system for the period June 16, 2015, through June 15, 2016, for audit purposes because the billing cycle ends the 15th of each month.



COMMONWEALTH OF VIRGINIA
DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES

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July 12, 2017

Martha S. Mavredes, CPA
Auditor of Public Accounts
James Monroe Building
101 N. 14th Street
Richmond, Virginia 23219

Dear Ms. Mavredes:

We have reviewed your Disability Services Agencies Audit Report for the Fiscal Year Ended June 30, 2016. We concur with the findings and are adopting strategies to improve the internal control environment of our agencies. Our responses are listed below.

Improve Firewall Management

The agency concurs with this finding and we have addressed all findings with the exception of documenting procedures.

Responsible Party: Steve Conley, WWRC IT Director
Estimated Completion Date: December 31, 2017

Improve Physical and Environmental Security

The agency concurs with this finding and be remediating the physical and environmental control weaknesses.

Responsible Party: Steve Conley, WWRC IT Director
Estimated Completion Date: December 31, 2017

Improve IT Asset Management Process and Procedures

The agency concurs with this finding and will update our sanitization and asset management procedures.

Responsible Party: Steve Conley, WWRC IT Director
Estimated Completion Date: December 31, 2017

Improve Security Awareness Training Process

The agency concurs with this finding and policies and procedures will be implemented to ensure security training for all DSA employees.

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Responsible Party: Mark McCreary, Information Security Officer
Estimated Completion Date: March 31, 2018

Improve Procedures over the Purchasing Charge Card Program

The agency concurs with this finding and management is reviewing updated procedures.

Responsible Party: Roxanne Thomas, SPCC Program Administrator
Estimated Completion Date: September 30, 2017

Develop and Implement Program Administrator Policies and Procedures for Small Purchase Charge Cards

The agency concurs with this finding and management is reviewing updated procedures.

Responsible Party: Roxanne Thomas, SPCC Program Administrator
Estimated Completion Date: September 30, 2017

Improve Internal Controls over Client Gift Card Purchases

The agency concurs with this finding and will revise procedures to improve internal controls over client gift cards.

Responsible Party: Roxanne Thomas, SPCC Program Administrator
Estimated Completion Date: June 30, 2018

Improve Procedures over Purchase Card Reconciliation

The agency concurs with this finding and will establish action to address late reconciliations.

Responsible Party: Solomon Girmay, Controller
Estimated Completion Date: September 30, 2017

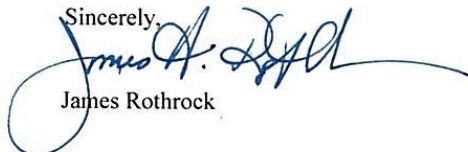
Improve Procedures for Merchant Category Code Reviews

The agency concurs with this finding and staff will establish a monthly review process for the merchant category codes.

Responsible Party: Roxanne Thomas, SPCC Program Administrator
Estimated Completion Date: September 30, 2017

Should you require more information, please do not hesitate to contact John Thaniel, Chief Financial Officer at john.thaniel@dars.virginia.gov or 804-662-7520.

With best regards, I am

Sincerely,

James Rothrock

dars@dars.virginia.gov · www.dars.virginia.gov

AGENCY OFFICIALS

Disability Service Agencies

James Rothrock, Commissioner
Department for Aging and Rehabilitative Services

Raymond Hopkins, Commissioner
Department for the Blind and Vision Impaired

Ronald Lanier, Director
Department for the Deaf and Hard-of-Hearing

Heidi Lawyer, Executive Director
Virginia Board for People with Disabilities

Rick Sizemore, Director
Wilson Workforce Rehabilitation Center